

Consolidated Financial Report for the Three Months Ended June 30, 2025**TOYOBO Co., Ltd.**URL <https://ir.toyobo.co.jp/en/ir.html>

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Scheduled date to commence dividend payments: —

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (Presentation to Investors)

(Figures are rounded to the nearest million yen.)

1. Consolidated Business Performance**(1) Consolidated Operating Results**

Three months ended June 30

Percentages indicate year-on-year increase/ (decrease)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2025	102,910	(2.2)	5,566	80.2	4,267	111.8	1,573	100.7
2024	105,175	8.4	3,089	—	2,015	—	784	—

(Note) Comprehensive Income: Three months ended June 30, 2025: ¥1,981 million (55.7%)

Three months ended June 30, 2024: ¥4,472 million 90.8%

	Net profit per share	Net profit per share after dilution
	Yen	Yen
2025	17.84	—
2024	8.90	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
June 30, 2025	611,512	228,652	31.6	2,193.95
March 31, 2025	617,799	232,044	31.6	2,215.11

(Reference) Total shareholders' equity: June 30, 2025: ¥193,436 million, March 31, 2025: ¥195,312 million

2. Dividends

Years ended/ending March 31

Record date	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2025	—	0.00	—	40.00	40.00
2026	—				
2026 (Forecast)		0.00	—	40.00	40.00

(Note) Revision of dividends forecast for this period: None

3. Forecasts for Fiscal Year Ending March 31, 2026

Percentages indicate year-on-year increase/ (decrease)

	Net sales		Operating profit		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year	440,000	4.3	21,000	26.1	15,500	46.4

	Profit attributable to owners of parent		Net profit per share
	Millions of yen	%	Yen
Fiscal year	4,500	124.6	51.05

(Note) Revision of earnings forecast for this period: None

* Other

- Significant changes in the scope of consolidation during the subject fiscal year: None
 - New company : None
 - Excluded company : None
- Adoption of simplified and special accounting methods: None
- Changes from accounting methods, procedures and the presentation of the consolidated financial statements:
 - Changes based on revision of accounting standards : None
 - Changes other than 1) above : None
 - Changes due to accounting estimation change : None
 - Error correction : None
- Number of shares issued and outstanding (common stock):
 - Number of shares outstanding (including treasury stock):

June 30, 2025: 89,048,792 shares March 31, 2025: 89,048,792 shares
 - Number of treasury stock:

June 30, 2025: 880,798 shares March 31, 2025: 876,140 shares
 - Average number of shares outstanding for each period (cumulative term):

Three months ended June 30, 2025: 88,169,159 shares

Three months ended June 30, 2024: 88,096,862 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

* Explanation regarding the appropriate use of forecasts of business results

The forward-looking statements made in this document, including the aforementioned forecasts, are based on all information available to the management at the time of this document's release. Actual results may differ from the results anticipated in the statements.

For information on the forecast, please refer to "1. Qualitative Information and Financial Statements, (3) Forecast for Fiscal 2026 (Ending March 31, 2026)" on page 7 of the attached materials.

(How to obtain supplementary document on earnings)

The supplementary document on earnings is disclosed on the same day as the Quarterly Financial Results report, and it is made available on the Company's website.

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1. Qualitative Information and Financial Statements

(1) Qualitative Information on Consolidated Results

The business environment surrounding the Toyobo Group (hereinafter “the Group”) in the three months ended June 30, 2025 saw limited impact from concerns over economic recession due to reciprocal tariffs in the United States. In China, the effects of policies against the prolonged real estate recession and weak consumption remained limited, and the economy continued to stagnate. In Japan, despite the impact of the global economic slowdown, the economy remained steady due to improvements in the income environment and expansion of capital investment. Going forward, there is concern over the impact on the Company’s business environment from the United States’ reciprocal tariff policies and prolonged geopolitical risks.

Under this business environment, polarizer protective films for LCDs “COSMOSHINE SRF” remained steady. In addition, in the packaging film business, earnings improved due to the advancement of product price revisions in response to increased manufacturing costs.

As a result, consolidated net sales in the three months ended June 30, 2025 decreased ¥2.3 billion (2.2%) from the same period of the previous fiscal year to ¥102.9 billion. Operating profit increased ¥2.5 billion (80.2%), to ¥5.6 billion and ordinary profit increased ¥2.3 billion (111.8%) to ¥4.3 billion. Profit attributable to owners of parent increased ¥0.8 billion (100.7%), to ¥1.6 billion.

Results by business segment were as follows:

Films

In the packaging film business, earnings improved due to the advancement of product price revisions in response to increased manufacturing costs, such as personnel and logistics expenses.

In the industrial film business, sales of mold releasing film for multilayer ceramic capacitors (MLCC) expanded. Sales of polarizer protective films for LCDs “COSMOSHINE SRF” were strong, supported by strong demand.

As a result, sales in this segment increased ¥2.5 billion (5.9%) from the same period of the previous fiscal year to ¥44.6 billion, and operating profit increased ¥2.5 billion (166.4%) to ¥4.0 billion.

Life Science

In the biotechnology business, sales increased, backed by strong demand for enzymes for diagnostic reagents both in Japan and overseas. However, the lingering effects of the previous period’s decline in productivity led to a deterioration in earnings.

In the medical materials business, sales of artificial kidney hollow fiber remained strong.

In the contract manufacturing business of pharmaceuticals, profitability improved as product price revisions proceeded.

As a result, sales in this segment decreased ¥0.0 billion (0.6%) from the same period of the previous fiscal year to ¥8.0 billion, and operating profit decreased ¥0.2 billion (56.4%) to ¥0.2 billion.

Environmental and Functional Materials

In the resin and chemical business, although sales of engineering plastics for automotive use overseas were sluggish, progress was made in product price revisions. Sales of industrial adhesives “VYLON” increased for coating and adhesive applications in Europe and the United States, as well as for electronic materials applications in Southeast Asia. In photo functional materials for water-wash photosensitive printing plates, sales in China and Southeast Asia were strong.

In the environment and fiber business, environmental solutions saw a decline in shipments of VOC recovery equipment used in the manufacturing process for lithium-ion battery separators due to the impact of the slowdown in the electric vehicle market. In nonwoven materials, review of the production system in Japan proceeded, and profitability improved.

As a result, sales in this segment decreased ¥2.6 billion (9.4%) from the same period of the previous fiscal year to ¥25.4 billion, and operating profit increased ¥0.2 billion (15.0%) to ¥1.5 billion.

Functional Textiles and Trading

In the textile business, sales of traditional Arabic fabric grew due to strong demand. In sports-related products, efforts were made to withdraw from unprofitable products.

In the airbag fabric business, sales volume decreased due to production cuts by Japanese customers in Asia.

As a result, sales in this segment decreased ¥2.1 billion (8.8%) from the same period of the previous fiscal year to ¥21.9 billion, and operating profit decreased ¥0.1 billion (64.6%) to ¥0.1 billion.

Real Estate and Other Business

This segment includes infrastructure-related businesses such as real estate, engineering, information processing services, and logistics services. Results in these businesses were generally in line with plans.

As a result, sales in this segment increased ¥0.1 billion (2.5%) from the same period of the previous fiscal year to ¥3.0 billion, and operating profit increased ¥0.1 billion (12.9%) to ¥0.5 billion.

(2) Analysis of Financial Position

Total assets decreased ¥6.3 billion (1.0%) from the end of the previous fiscal year to ¥611.5 billion. This was mainly due to a decrease in notes and accounts receivable – trade, despite an increase in cash and deposits.

Total liabilities decreased ¥2.9 billion (0.8%) from the end of the previous fiscal year to ¥382.9 billion. This was mainly due to a decrease in notes and accounts payable – trade, borrowings, despite an increase in bonds payable.

Net assets decreased ¥3.4 billion (1.5%) from the end of the previous fiscal year to ¥228.7 billion. This was mainly due to a decrease in retained earnings and non-controlling interests resulting from dividend payments.

(3) Forecast for Fiscal 2026 (Ending March 31, 2026)

The performance of the Group in the three months ended June 30, 2025 was generally as forecast. Regarding the consolidated earnings forecast for the fiscal year ending March 31, 2026, no changes have been made in the outlook announced on May 12, 2025.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2025)	Current First Quarter (As of June 30, 2025)
Assets		
Current assets		
Cash and deposits	28,581	30,787
Notes and accounts receivable - trade	92,545	84,860
Contract assets	207	473
Electronically recorded monetary claims - operating	13,400	13,396
Merchandise and finished goods	65,055	63,877
Work in process	22,023	22,663
Raw materials and supplies	31,904	34,117
Other	14,109	12,787
Allowance for doubtful accounts	(330)	(357)
Total current assets	267,495	262,602
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	73,763	77,644
Machinery, equipment and vehicles, net	63,720	66,082
Land	90,203	90,205
Construction in progress	55,958	49,544
Other, net	12,875	13,568
Total property, plant and equipment	296,518	297,043
Intangible assets	5,032	4,971
Investments and other assets		
Other	48,821	46,966
Allowance for doubtful accounts	(68)	(69)
Total investments and other assets	48,754	46,897
Total non-current assets	350,304	348,911
Total assets	617,799	611,512

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2025)	Current First Quarter (As of June 30, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	48,389	42,097
Electronically recorded obligations - operating	3,436	3,494
Short-term borrowings	53,043	49,922
Commercial papers	5,000	5,000
Current portion of bonds payable	10,000	10,000
Current portion of long-term borrowings	11,684	7,829
Provisions	5,306	3,051
Other	23,463	24,886
Total current liabilities	160,320	146,280
Non-current liabilities		
Bonds payable	67,000	77,000
Long-term borrowings	114,343	115,365
Deferred tax liabilities for land revaluation	18,990	18,990
Provision for retirement benefits for directors (and other officers)	209	159
Retirement benefit liability	14,122	14,186
Other	10,770	10,880
Total non-current liabilities	225,435	236,580
Total liabilities	385,755	382,860
Net assets		
Shareholders' equity		
Share capital	51,730	51,730
Capital surplus	32,661	32,661
Retained earnings	68,967	67,013
Treasury shares	(925)	(925)
Total shareholders' equity	152,433	150,479
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,857	1,895
Deferred gains or losses on hedges	12	(12)
Revaluation reserve for land	40,174	40,174
Foreign currency translation adjustment	(603)	(619)
Remeasurements of defined benefit plans	1,439	1,519
Total accumulated other comprehensive income	42,879	42,957
Non-controlling interests	36,732	35,216
Total net assets	232,044	228,652
Total liabilities and net assets	617,799	611,512

**(2) Consolidated Statements of Income and
Consolidated Statements of Comprehensive Income**

(Millions of yen)

(Consolidated Statements of Income)	Previous First Quarter (From April 1, 2024 To June 30, 2024)	Current First Quarter (From April 1, 2025 To June 30, 2025)
Net sales	105,175	102,910
Cost of sales	82,082	77,726
Gross profit	23,093	25,183
Selling, general and administrative expenses	20,004	19,617
Operating profit	3,089	5,566
Non-operating income		
Dividend income	145	146
Foreign exchange gains	444	—
Other	447	558
Total non-operating income	1,036	704
Non-operating expenses		
Interest expenses	429	671
Foreign exchange losses	—	416
Other	1,681	916
Total non-operating expenses	2,110	2,004
Ordinary profit	2,015	4,267
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	360	—
Gain on sale of investment securities	2	—
Total extraordinary income	362	—
Extraordinary losses		
Loss on disposal of non-current assets	295	324
Loss on revision of retirement benefit plan	—	939
Total extraordinary losses	295	1,263
Profit before income taxes	2,082	3,004
Income taxes	467	1,034
Profit	1,614	1,970
Profit attributable to non-controlling interests	831	397
Profit attributable to owners of parent	784	1,573

(Millions of yen)

(Consolidated Statements of Comprehensive Income)	Previous First Quarter (From April 1, 2024 To June 30, 2024)	Current First Quarter (From April 1, 2025 To June 30, 2025)
Profit	1,614	1,970
Other comprehensive income		
Valuation difference on available-for-sale securities	270	37
Deferred gains or losses on hedges	(6)	(5)
Foreign currency translation adjustment	2,235	230
Remeasurements of defined benefit plans, net of tax	63	81
Share of other comprehensive income of entities accounted for using equity method	297	(333)
Total other comprehensive income	2,858	11
Comprehensive income	4,472	1,981
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,297	1,651
Comprehensive income attributable to non-controlling interests	1,176	330

(3) Notes to Consolidated Financial Statements

(Segment Information)

(i) Previous First Quarter (From April 1, 2024 to June 30, 2024)

(Millions of yen)

	Segment to Be Reported						Other Business- ses (Note 1)	Total	Adjust- ment (Note 2)	Consolid- ated State- ments of Income (Note 3)
	Films	Life Science	Environ- mental and Functional Materials	Functional Textiles and Trading	Real Estate	Total				
Net sales										
(1) Outside customers	42,104	8,080	28,057	24,041	1,056	103,338	1,837	105,175	—	105,175
(2) Inter-segment sales and transfers	518	5	2,009	313	300	3,145	2,405	5,550	(5,550)	—
Total	42,622	8,085	30,065	24,355	1,356	106,483	4,242	110,725	(5,550)	105,175
Segment profit	1,504	375	1,273	199	478	3,829	6	3,835	(746)	3,089

Note:

1. Other includes design and construction of buildings, equipment, etc., information services, logistics services and other items.
2. Segment profit adjustment of ¥ (746) million includes eliminations of intersegment transactions of ¥ 234 million and companywide expenses that are not allocated across reporting segments of ¥ (981) million. The principal components of companywide expenses are those related to basic research and development.
3. Segment profit has been adjusted with operating income on the consolidated financial statements.

(ii) Current First Quarter (From April 1, 2025 to June 30, 2025)

(Millions of yen)

	Segment to Be Reported						Other Business- ses (Note 4)	Total	Adjust- ment (Note 5)	Consolid- ated State- ments of Income (Note 6)
	Films	Life Science	Environ- mental and Functional Materials	Functional Textiles and Trading	Real Estate	Total				
Net sales										
(1) Outside customers	44,576	8,033	25,422	21,914	1,114	101,059	1,850	102,910	—	102,910
(2) Inter-segment sales and transfers	217	28	1,960	353	281	2,838	2,434	5,272	(5,272)	—
Total	44,793	8,061	27,382	22,267	1,395	103,897	4,284	108,181	(5,272)	102,910
Segment profit	4,005	164	1,463	70	498	6,201	49	6,250	(684)	5,566

Note:

4. Other includes design and construction of buildings, equipment, etc., information services, logistics services and other items.
5. Segment profit adjustment of ¥ (684) million includes eliminations of intersegment transactions of ¥ 109 million and companywide expenses that are not allocated across reporting segments of ¥ (793) million. The principal components of companywide expenses are those related to basic research and development.
6. Segment profit has been adjusted with operating income on the consolidated financial statements.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable

(Notes to Going Concern)

Not applicable

(Notes to quarterly consolidated statements of cash flows)

Quarterly consolidated statements of cash flows for the three months ended June 30, 2025 are not prepared. Depreciation (including amortization related to intangible assets excluding goodwill) of the three months ended June 30, 2025 are as follows.

	(Millions of yen)	
	Previous First Quarter (From April 1, 2024 To June 30, 2024)	Current First Quarter (From April 1, 2025 To June 30, 2025)
Depreciation	5,601	5,859